

EXHIBIT 8

Redacted Excerpts of Deposition of Ike Lawrence Epstein

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

CUNG LE; NATHAN QUARRY, JON)
FITCH, on behalf of)
themselves and all others)
similarly situated,)

Plaintiffs,)

vs.)

ZUFFA, LLC, d/b/a Ultimate)
Fighting Championship and)
UFC,)

Defendant.)
_____)

Case No.
2:15-cv-01045-RFB-(PAL)

C O N F I D E N T I A L

VIDEOTAPED DEPOSITION OF

IKE LAWRENCE EPSTEIN

LAS VEGAS, NEVADA

MAY 26, 2017

9:07 a.m.

REPORTED BY:
CYNTHIA K. DuRIVAGE, CSR #451
Job No. 50641

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<p style="text-align: right;">14</p> <p>1 given sworn deposition testimony?</p> <p>2 A. There certainly have been other lawsuits</p> <p>3 against Zuffa. I just don't recall ever giving sworn</p> <p>4 testimony. I may have, I'm just not remembering</p> <p>5 right now.</p> <p>6 Q. Fair enough.</p> <p>7 So I think the two that you did recall were</p> <p>8 legal malpractice cases, I think you said?</p> <p>9 A. Right.</p> <p>10 Q. And the first one you identified, it was a</p> <p>11 malpractice case against the other side in a case you</p> <p>12 handled?</p> <p>13 A. Yeah. It was a case where we had sued</p> <p>14 somebody -- I don't know if we were the -- I can't</p> <p>15 remember if we were the defendant. I generally did</p> <p>16 defense work, so we probably were the defendant. We</p> <p>17 won that case.</p> <p>18 The client of the lawyer who was</p> <p>19 representing, I believe, the plaintiffs, sued their</p> <p>20 lawyer, and then, I got deposed in that case as to</p> <p>21 what happened in our lawsuit.</p> <p>22 Q. So at your previous firm, you handled the</p> <p>23 case, you won the case, the party on the other side</p> <p>24 subsequently sued the lawyer handling, that</p> <p>25 represented him or her in that case; and you</p>	<p style="text-align: right;">16</p> <p>1 commission or something like that?</p> <p>2 A. Yeah. I mean, if that's what you're</p> <p>3 referring to, I mean, there's --</p> <p>4 Q. I changed the subject a little bit.</p> <p>5 A. Yeah. So I just want to make sure I</p> <p>6 understand what you mean by regulatory because I've</p> <p>7 certainly done some, provided some testimony in front</p> <p>8 of state legislators which weren't necessarily -- I</p> <p>9 mean, I wouldn't perceive that as regulatory.</p> <p>10 So if you're talking about athletic</p> <p>11 commissions, I've certainly made some presentations</p> <p>12 in front of athletic commissions over the years.</p> <p>13 MS. GRIGSBY: I wouldn't call that</p> <p>14 testimony, but I would say presentations.</p> <p>15 BY MR. SAVERI:</p> <p>16 Q. And maybe I just shorthanded it. Let me go</p> <p>17 back through that.</p> <p>18 With respect to your testimony in front of</p> <p>19 legislative bodies, can you describe for me or</p> <p>20 identify how many times you think you've done that?</p> <p>21 A. You know, I mean, once again, I'm not sure</p> <p>22 whether it was testimony or whether it was</p> <p>23 presentations. A lot of it, you know, meetings with</p> <p>24 legislators. But as far as like formal hearings,</p> <p>25 probably a handful over the years.</p>
<p style="text-align: right;">15</p> <p>1 testified in that legal subsequent malpractice</p> <p>2 litigation?</p> <p>3 A. Exactly. I was subpoenaed, and they took</p> <p>4 my deposition.</p> <p>5 Q. Now, the second case, was that a legal</p> <p>6 malpractice case against you and your previous law</p> <p>7 firm?</p> <p>8 A. Yes.</p> <p>9 Q. And you gave a deposition in that case,</p> <p>10 correct?</p> <p>11 A. I did.</p> <p>12 Q. And was that case subsequently settled?</p> <p>13 A. Oh, yes. Definitely settled.</p> <p>14 Q. It didn't go to trial?</p> <p>15 A. No, it did not go to trial.</p> <p>16 Q. In connection with your work at Zuffa, part</p> <p>17 of your responsibility has been with respect to</p> <p>18 regulatory matters?</p> <p>19 A. That's correct.</p> <p>20 Q. Is that correct?</p> <p>21 A. Yes.</p> <p>22 Q. Have you ever given any testimony in</p> <p>23 connection with any of the regulatory proceedings?</p> <p>24 A. Well --</p> <p>25 Q. For example, in front of an athletic</p>	<p style="text-align: right;">17</p> <p>1 Q. And can you recall generally what states?</p> <p>2 A. I do remember Massachusetts for some</p> <p>3 reason.</p> <p>4 As I'm sure you're aware of, we bought this</p> <p>5 company, there was one state that sort of regulated</p> <p>6 the sport of mixed martial arts. And now, basically</p> <p>7 every state does. As a result, that happened as a</p> <p>8 result of our actions. I was very much involved in</p> <p>9 that, literally going to every state in the country</p> <p>10 and every province in Canada and all that stuff and</p> <p>11 around the world.</p> <p>12 So there were meeting after meeting after</p> <p>13 meeting with legislators, and then, there were</p> <p>14 certain hearings that took place where we provided</p> <p>15 information about the sport, about you know, about</p> <p>16 the rules, et cetera.</p> <p>17 So I remember Massachusetts for some</p> <p>18 reason. It just rings a bell. I just remember there</p> <p>19 was a fighter there with us, and we made</p> <p>20 presentations to a group in sort of a setting like</p> <p>21 this.</p> <p>22 Once again, I don't remember it being under</p> <p>23 oath or particularly, you know, a testimony type</p> <p>24 setting, but that's the type of stuff we did for --</p> <p>25 we've done it for a decade-and-a-half trying to get</p>

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<p style="text-align: right;">18</p> <p>1 the sport regulated around the world.</p> <p>2 Q. Other than Massachusetts, do you recall any</p> <p>3 other states in which you gave a similar presentation</p> <p>4 of the type we've just been talking about?</p> <p>5 A. I certainly remember New York where we</p> <p>6 made, you know -- once again, it wasn't under oath</p> <p>7 type of stuff, but we made presentations to</p> <p>8 committees that were considering regulation of mixed</p> <p>9 martial arts.</p> <p>10 Q. Now, do you recall, though, any occasion</p> <p>11 where it was a more formal setting, where you raised</p> <p>12 your hand, took an oath, and appeared or answered</p> <p>13 questions in front of a legislative body?</p> <p>14 A. I really don't recall taking an oath. I</p> <p>15 mean, I certainly recall answering questions. I</p> <p>16 would say 15 years we've been doing it. But I don't</p> <p>17 recall like standing up and taking an oath, no.</p> <p>18 Q. Okay. Have you given any testimony,</p> <p>19 description of the business of the type you've been</p> <p>20 discussing, outside of the United States?</p> <p>21 A. Yes.</p> <p>22 Q. In what countries?</p> <p>23 A. Well, virtually every province in Canada.</p> <p>24 Brazil, France. Russia, meeting with, you know,</p> <p>25 federations and -- I mean, just so you understand,</p>	<p style="text-align: right;">20</p> <p>1 So those are the type of meetings. And</p> <p>2 sometimes there was a sports minister, sometimes</p> <p>3 there was the federation person, sometimes there was</p> <p>4 the equivalent of the FCC in a particular country.</p> <p>5 Just a variety of stuff that we've done over the last</p> <p>6 decade and a half.</p> <p>7 Q. Do you recall occasions when the Federal</p> <p>8 Trade Commission opened investigations with respect</p> <p>9 to Zuffa's businesses?</p> <p>10 A. Yes, I do.</p> <p>11 Q. Did you give any testimony to the FTC in</p> <p>12 connection with any of those?</p> <p>13 A. I don't recall giving any testimony where I</p> <p>14 was sworn, you know, to, you know, an oath. I'm sure</p> <p>15 I provided -- I made presentations to the FTC chair.</p> <p>16 I made presentations to the FTC investigators or</p> <p>17 lawyers up in the Seattle office.</p> <p>18 You know, we made a variety of</p> <p>19 presentations. As I'm sure you're aware, there were</p> <p>20 two separate investigations that were both closed,</p> <p>21 but we made a variety of presentations. Neither of</p> <p>22 those went to any formal hearing, so I can't</p> <p>23 imagine -- I mean, I didn't testify, maybe I</p> <p>24 submitted an affidavit. I don't remember</p> <p>25 specifically.</p>
<p style="text-align: right;">19</p> <p>1 the regulatory model in U.S. and North America is</p> <p>2 state athletic commissions. When you go to Europe</p> <p>3 and basically the rest of the world, it's the Olympic</p> <p>4 model federation base. So there's been a lot of</p> <p>5 interactions with federations in other countries.</p> <p>6 Q. So these were governing bodies or athletic</p> <p>7 federations that might have included or at least in</p> <p>8 geographic scope had coverage for more than one</p> <p>9 country?</p> <p>10 A. Not necessarily more than one country.</p> <p>11 I mean, you know, so we've talked to, like</p> <p>12 for example, the International Wrestling Federation</p> <p>13 over the years about creating sub federations,</p> <p>14 regulate amateur and professional mixed martial arts.</p> <p>15 I guess that's a global organization.</p> <p>16 But when we talk about, you know, other</p> <p>17 countries, we're typically going to meet with sports</p> <p>18 ministers or, you know, government regulatory people</p> <p>19 to talk about everything from, you know, the sport</p> <p>20 was banned on television in many, many countries. It</p> <p>21 was illegal to take place in many, many countries.</p> <p>22 So we had to go and talk to people and say, hey,</p> <p>23 here's what the sport is about, here is the safety</p> <p>24 record, here's the rules and regulations, allow it on</p> <p>25 TV, allow a live event to take place.</p>	<p style="text-align: right;">21</p> <p>1 Q. Okay. Just focusing for a second on the</p> <p>2 first FTC investigation, did you make a presentation</p> <p>3 to any of the FTC commissioners?</p> <p>4 A. Yes, we did.</p> <p>5 Q. And did you go to Washington to do that?</p> <p>6 A. Yes, we did.</p> <p>7 Q. And was the presentation made to the full</p> <p>8 five-member FTC?</p> <p>9 A. No.</p> <p>10 Q. Do you recall what commissioner you gave</p> <p>11 the presentation to?</p> <p>12 A. John. You know, my name memory is bad. He</p> <p>13 worked for Herb Kohl, I remember, before he was the</p> <p>14 FTC chair. John --</p> <p>15 Q. It begins with an O?</p> <p>16 A. No.</p> <p>17 Q. Okay. We'll come back to that.</p> <p>18 A. It starts with a W.</p> <p>19 Q. We'll come back to it.</p> <p>20 A. I'll remember.</p> <p>21 Q. All right. Was that presentation recorded</p> <p>22 in any way?</p> <p>23 A. No.</p> <p>24 Q. Were there written materials that you</p> <p>25 presented as part of your presentation?</p>

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<p style="text-align: right;">98</p> <p>1 Did I read that right?</p> <p>2 A. You did.</p> <p>3 Q. Is that an accurate statement?</p> <p>4 A. I think it is, yes. It's hard to read.</p> <p>5 Q. Now, turning back to the agreement again,</p> <p>6 which is Exhibit 5, there's a question about</p> <p>7 article 4, "Promotion," but in particular,</p> <p>8 section 4.5, which is the exclusivity provision.</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. And could you tell me what from Zuffa's</p> <p>12 perspective the business purpose of this provision</p> <p>13 is?</p> <p>14 MS. GRIGSBY: Same objection. This was</p> <p>15 previously asked in the 30(b)(6).</p> <p>16 THE WITNESS: Well, putting on 40 fights</p> <p>17 per year, and in order to put on 40 plus fights per</p> <p>18 year, you have to know that fighters are available to</p> <p>19 put on those events.</p> <p>20 As you know, we've significantly increased</p> <p>21 the output of events that we've put on creating more</p> <p>22 opportunities for fighters every single year. And in</p> <p>23 order to be able to sustain that, you have to know</p> <p>24 that a fighter is available to you so you can put on</p> <p>25 those events.</p>	<p style="text-align: right;">100</p> <p>1 A. Of course. Every single fighter. I mean,</p> <p>2 if we only did three events per year, that's not a</p> <p>3 lot of output.</p> <p>4 Q. Were there particular fighters that you</p> <p>5 believed that the exclusivity provision did not</p> <p>6 benefit?</p> <p>7 A. No.</p> <p>8 Q. You believe that it benefited all fighters</p> <p>9 equally?</p> <p>10 A. Listen, all fighters are different. Their</p> <p>11 positions in their career and where they stand are</p> <p>12 different.</p> <p>13 A fighter that's just starting out his</p> <p>14 career, he wants as many fights as he can get from</p> <p>15 the UFC. Middle, later, their positions may change,</p> <p>16 I don't know.</p> <p>17 But at the end of the day, in order for us</p> <p>18 to put the output of events that we put on every year</p> <p>19 and continue to grow that output, which we've done,</p> <p>20 you can't do it unless you have exclusive contracts</p> <p>21 because you don't know whether the fighters are</p> <p>22 available.</p> <p>23 Q. Now, if you look --</p> <p>24 A. In addition to that, we're promoting the</p> <p>25 athletes not just event to event but throughout their</p>
<p style="text-align: right;">99</p> <p>1 If the fighters were not exclusive to us,</p> <p>2 we could never put on 40 plus events per year, and</p> <p>3 our output would significantly decrease.</p> <p>4 BY MR. SAVERI:</p> <p>5 Q. Did the company ever do any studies about</p> <p>6 alternatives to the exclusivity provision?</p> <p>7 For example, you mentioned a second ago the</p> <p>8 number of fights.</p> <p>9 Did the company ever do any study where it</p> <p>10 analyzed what would happen to the number of fights if</p> <p>11 the company didn't have an exclusivity provision in</p> <p>12 its form contracts?</p> <p>13 A. We didn't hire a third party. It's</p> <p>14 obvious. If you don't know the athletes are under</p> <p>15 contract with you, it's impossible for you to put on</p> <p>16 40-plus events per year with 12 to 13 fights per</p> <p>17 event. It's just not possible.</p> <p>18 Q. Did you believe that the exclusivity</p> <p>19 provisions benefited the fighters that are subject to</p> <p>20 the exclusivity provision?</p> <p>21 A. Absolutely because it increased the output</p> <p>22 of fights that we were able to do on the annual</p> <p>23 basis.</p> <p>24 Q. And that applied to the fighters as a</p> <p>25 whole?</p>	<p style="text-align: right;">101</p> <p>1 entire careers. We're getting them on TV shows,</p> <p>2 we're trying to, you know, increase their notoriety,</p> <p>3 helping them with social media. Doing a variety of</p> <p>4 things to increase their marketability. I mean, you</p> <p>5 know, that's all part of this ecosystem whereby we</p> <p>6 want to do as many events as we can, we want to try</p> <p>7 to make as much money for the athletes as we can. We</p> <p>8 can't do that unless you have things that are</p> <p>9 exclusive.</p> <p>10 We like boxing, but they do three or four</p> <p>11 fights a year at max.</p> <p>12 Q. If the fighters were not subject to the</p> <p>13 exclusivity provision, they would have been free to</p> <p>14 attempt to fight under fights organized or put on by</p> <p>15 other promoters, right?</p> <p>16 A. Of course.</p> <p>17 Q. And in fact, the exclusivity provision --</p> <p>18 one of the purposes of the exclusivity provision was</p> <p>19 to prevent that, right?</p> <p>20 A. The purpose of the exclusivity provision is</p> <p>21 to make sure that we know that the fighters are</p> <p>22 available so we can put on 30, 40 fights per year.</p> <p>23 You're talking about hundreds of fights we have to</p> <p>24 put on every year. You cannot do it if they are not</p> <p>25 under exclusive agreements. You cannot do it.</p>

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<p style="text-align: right;">102</p> <p>1 Q. But it's fair to say that the effect of the 2 exclusivity provision was that fighters who signed a 3 contract could not go out and reach agreements with 4 other promoters to fight? 5 A. I disagree with that. 6 The effect of it was that we provided 7 numerous fights for athletes under the terms of those 8 agreements. That they would not be there if we 9 didn't have exclusive arrangements with the athletes. 10 Q. Okay, but if an athlete was subject to the 11 exclusivity provision, you would agree, wouldn't you, 12 that that provision prevented that fighter from 13 signing up to fight for another promoter during the 14 term of the contract? 15 A. I agree with that narrow question that 16 you've asked. I don't agree with the underlying 17 assumption that somehow there are more opportunities 18 and the athlete is going to make more money by going 19 out and, you know, doing one-fight deals with 20 different promoters. 21 Q. Okay. I move to strike the last part of 22 the answer. 23 Let me just get an answer to a "Yes" or 24 "No" question. 25 Did the exclusivity provision in these</p>	<p style="text-align: right;">104</p> <p>1 Q. So your testimony is that if there was no 2 exclusivity provision that there would not have been 3 fights shown by other promoters? 4 MS. GRIGSBY: Objection, mischaracterizes 5 testimony. 6 THE WITNESS: Not nearly to the level that 7 we're doing right now because we have a television 8 broadcast deal with Fox broadcasting that requires us 9 to deliver a certain number of events. 10 In order for to us get that deal, we have 11 to tell them we're able to staff these fights up with 12 events. 13 It's impossible to deliver on a contract, 14 and no television network would ever contract with 15 you if you didn't have these arrangements with your 16 athletes to deliver them for bouts. 17 So what would happen under what you're 18 laying out here is that the ecosystem would crash. 19 There would be many, many less fights because no 20 network is going to agree to sign a long-term deal 21 with you for many, many fights when you can't deliver 22 fighters to them and put on events. 23 So what will happen is that the number of 24 fights will decrease, and the fighters will be free 25 to do the one-off events here and there, but the</p>
<p style="text-align: right;">103</p> <p>1 contracts prevent fighters subject to the provision 2 during the term of the contract from making 3 arrangements to fight for other promoters during the 4 term of the contract? 5 A. Yes. 6 Q. And if the exclusivity provision was not 7 included in these contracts, fighters would have been 8 free to go fight for other promoters? 9 MS. GRIGSBY: Objection to form. 10 THE WITNESS: We did a series of one-fight 11 deals, I guess they'd be free to do whatever they 12 wanted to do. 13 BY MR. SAVERI: 14 Q. And if other promoters were putting on 15 fights, that would have provided more content in the 16 marketplace or the more ability for viewers to see 17 fights, correct? 18 MS. GRIGSBY: Objection -- 19 THE WITNESS: Incorrect. 20 MS. GRIGSBY: -- calls for speculation. 21 THE WITNESS: That's wrong. Completely 22 false. 23 BY MR. SAVERI: 24 Q. Completely false? 25 A. Completely false.</p>	<p style="text-align: right;">105</p> <p>1 total output will significantly decrease. 2 That would be true for us, that would be 3 true for Bellator or anybody else. If they didn't 4 have exclusive arrangements, which they all do, they 5 wouldn't be able to deliver on their Spike contracts, 6 One FC be able to deliver on its television 7 agreements in Asia, and the list goes on and on. 8 BY MR. SAVERI: 9 Q. Does boxing have the same sort of 10 exclusivity provisions that we're talking about here 11 in their fighter contracts? 12 A. Very similar. We got it from boxing. 13 Q. Okay, but there are -- we'll come back to 14 that. 15 Now, just focusing for a second, again, on 16 4.5, which is the exclusivity provision. 17 A. Okay. 18  19  20  21  22 A. Okay. 23 Q. Same place. It's the next line above it. 24 It says, "Grant of Promotional Rights." 25 Do you see that?</p>

27 (Pages 102 to 105)

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<p style="text-align: right;">106</p> <p>1 A. I do.</p> <p>2 Q. And it says:</p> <p>3 "Fighter grants exclusive,</p> <p>4 unrestricted worldwide right to</p> <p>5 promote any and all mixed martial</p> <p>6 arts contests during the term."</p> <p>7 Do you see that?</p> <p>8 A. I do.</p> <p>9 Q. Is that an accurate statement?</p> <p>10 A. Yes, it is.</p> <p>11 MR. SAVERI: Could you mark this as the</p> <p>12 next in order, please.</p> <p>13 (Exhibit 6 was marked for</p> <p>14 identification by the reporter.)</p> <p>15 BY MR. SAVERI:</p> <p>16 Q. I'm handing you what's been marked as</p> <p>17 Exhibit 6. This document has the Bates No.</p> <p>18 DB-ZUFFA-0006389 through 6457.</p> <p>19 A. Looks like it.</p> <p>20 Q. Now, do you recognize this document?</p> <p>21 A. No.</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">108</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 BY MR. SAVERI:</p> <p>21 Q. Okay. Now, let me go back to what I was</p> <p>22 trying to focus on, which is on page 4 of the</p> <p>23 document.</p> <p>24 A. Okay.</p> <p>25 Q. And there is a third paragraph that begins,</p>
<p style="text-align: right;">107</p> <p>1 Q. Okay. And if you turn to page 4.</p> <p>2 A. Got it.</p> <p>3 Q. Before we get there, let me just ask you</p> <p>4 this.</p> <p>5 Do you have any role in the preparation of</p> <p>6 this document?</p> <p>7 A. I don't recall this document, so...</p> <p>8 Q. Maybe I got ahead of myself.</p> <p>9 Would you just turn to the first page.</p> <p>10 There's a section called "Reason For Presentation."</p> <p>11 Do you see that? It's the box in the</p> <p>12 bottom half of the page. Do you see that?</p> <p>13 A. I do see it.</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">109</p> <p>1 "UFC continually seeks."</p> <p>2 Do you see that?</p> <p>3 A. No. Where are we? Oh, yes, yes, "UFC</p> <p>4 continually seeks to add."</p> <p>5 Q. And then, I want to ask you a question</p> <p>6 about some sentences further into that paragraph.</p> <p>7 A. Got it.</p> <p>8 Q. There's a sentence that says:</p> <p>9 "Most contracts are four fights or</p> <p>10 20 months, whichever comes first,</p> <p>11 although marquis fighters typically</p> <p>12 have longer-term contracts with an</p> <p>13 exclusivity clause that prevents</p> <p>14 fighters from moving to different</p> <p>15 MMA organizations while under</p> <p>16 contract and with negotiation and</p> <p>17 matching rights after the agreement</p> <p>18 expires."</p> <p>19 Do you see what I read?</p> <p>20 A. I do.</p> <p>21 Q. Is that an accurate statement?</p> <p>22 A. Yeah.</p> <p>23 MS. GRIGSBY: Objection, foundation.</p> <p>24 BY MR. SAVERI:</p> <p>25 Q. Excuse me.</p>

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<p style="text-align: right;">178</p> <p>1 be putting on fights that just weren't -- that didn't 2 make commercial sense. You can't guarantee -- what 3 if he loses. This is a ten-fight, 60-month deal 4 fight. So what if he loses five fights in a row, how 5 can we guarantee him anything when it comes to being 6 a main event. You just can't -- you can't do all 7 those things because you have to deliver a product 8 that the customer is willing to buy. 9 As I mentioned previously, we're in a 10 hundred percent turn business. We've got to sell 11 people every single time to put a pay-per-view on TV. 12 If we put an inferior product on TV, no one buys it. 13 So there's just a variety of things in this 14 deal that -- it's not a matter of wanting. It either 15 legally wasn't possible or made absolutely no 16 commercial sense to do that. 17 Q. Commercial sense for Zuffa? 18 A. Made no commercial sense for anyone because 19 Bellator was never going to live up to this, so they 20 were submitting an offer that they had no intention 21 of ever living up to. 22 Q. Well, Bellator was certainly free to make 23 that offer? 24 A. Well, they're free to make an offer, but I 25 mean, I mean, it's -- and since that time, we've seen</p>	<p style="text-align: right;">180</p> <p>1 [REDACTED] 2 [REDACTED] 3 [REDACTED] 4 [REDACTED] 5 [REDACTED] 6 [REDACTED] 7 [REDACTED] 8 [REDACTED] 9 [REDACTED] 10 [REDACTED] 11 [REDACTED] 12 [REDACTED] 13 [REDACTED] 14 [REDACTED] 15 [REDACTED] 16 [REDACTED] 17 [REDACTED] 18 [REDACTED] 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 Q. At this time, did you want Melendez to 23 fight in the UFC? 24 A. Yeah. 25 Q. And you didn't want to sign him because you</p>
<p style="text-align: right;">179</p> <p>1 how many events they've done on pay-per-view. I 2 mean, that's not their business model. Their 3 business model is going on Spike TV and getting 4 ratings on Spike TV, and that's what their business 5 model is. Different business model than ours. 6 Q. Now, did you think that -- so at the time, 7 though, following up on that, part of the UFC 8 business model was to broadcast events on 9 pay-per-view? 10 A. Part of it is. 11 Q. Right. And Bellator did not? 12 A. Bellator has done it one or two times. 13 Q. And in terms of your position in the 14 marketplace, did you think the fact that you at UFC 15 did in fact have a model which included a substantial 16 number of pay-per-view events gave you leverage with 17 respect to attracting or negotiating fighters? 18 A. Not necessarily, no. 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 [REDACTED] 23 [REDACTED] 24 [REDACTED] 25 [REDACTED]</p>	<p style="text-align: right;">181</p> <p>1 didn't feel like you could match the terms of the 2 offer that they were putting in front of you from 3 Bellator; is that correct? 4 MS. GRIGSBY: Objection, foundation. 5 THE WITNESS: The answer to the question, 6 we wanted to sign him. The offer that was submitted 7 by Bellator was, as I said in the email, ridiculous. 8 It was commercially unreasonable, and legally, we 9 couldn't do it. So it wasn't a decision one way or 10 the other. We really didn't have a choice in the 11 sense whether we could accept this thing. 12 So we wanted to sign him. He presented an 13 offer to us that was legally and commercially just 14 didn't make sense. 15 BY MR. SAVERI: 16 Q. If Bellator hadn't written that offer which 17 Melendez' agent provided to you, would you have 18 signed Melendez? 19 A. We would have tried. I mean, we were 20 trying to sign him. We wanted to keep him. 21 Q. And if you were able to keep him, it would 22 have been at terms that didn't present the same 23 difficulties or problems that the Bellator offer did? 24 A. No. I said we couldn't violate our Fox 25 contract to sign fighters. So we would have</p>

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<p style="text-align: right;">182</p> <p>1 negotiated a deal that we could enter into.</p> <p>2 Q. Were there other occasions that you recall</p> <p>3 when you -- when fighters with whom you were</p> <p>4 negotiating received offers from Bellator that they</p> <p>5 put in front of you that, for these reasons or</p> <p>6 others, you decided you couldn't match?</p> <p>7 A. Yes.</p> <p>8 Q. And how many times do you think that</p> <p>9 happened?</p> <p>10 A. I don't know. I mean, it's happening more</p> <p>11 frequently now than it ever has been. It just</p> <p>12 happened recently with Ryan Bader. It just happened</p> <p>13 recently with Rory McDonald. Those are two that come</p> <p>14 to mind that are fairly recent.</p> <p>15 Q. Were there occasions that you recall where</p> <p>16 fighters with whom you were negotiating put Bellator</p> <p>17 offers in front of you that you did in fact match?</p> <p>18 A. You know, I don't remember the exact</p> <p>19 circumstances whereby we ended up with Eddie Alvarez,</p> <p>20 the specifics, but there were a lot of things that</p> <p>21 went back and forth there. But he was -- we actually</p> <p>22 had to make the offer to him in that situation</p> <p>23 because he was coming off a Bellator contract, so</p> <p>24 they had the right to match ours.</p> <p>25 But there's a bunch of litigation that</p>	<p style="text-align: right;">184</p> <p>1 the fighters?</p> <p>2 A. Of course.</p> <p>3 Q. And with respect to other business terms as</p> <p>4 well?</p> <p>5 A. Other business terms too, yes.</p> <p>6 (Exhibit 13 was marked for</p> <p>7 identification by the reporter.)</p> <p>8 BY MR. SAVERI:</p> <p>9 Q. I've handed you what has been marked as</p> <p>10 Exhibit 13, sir.</p> <p>11 Do you have that in front of you?</p> <p>12 A. Yes.</p> <p>13 Q. This is a -- I guess that's an offshoot of</p> <p>14 the email thread from the previous document. This</p> <p>15 one has the Bates Nos. ZFL-0995568 through 95575.</p> <p>16 You can look at the whole thing, but I'm</p> <p>17 just going to ask you about the very top of the</p> <p>18 chain, which is the email from Fertitta to yourself,</p> <p>19 dated February 15, 2014.</p> <p>20 Okay?</p> <p>21 A. Yeah.</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>
<p style="text-align: right;">183</p> <p>1 occurred in that matter, and he went back after he</p> <p>2 got sued. And then, they didn't deliver. And then,</p> <p>3 he entered into a settlement agreement with them and</p> <p>4 ultimately came to us.</p> <p>5 I don't remember how the Gilbert Melendez</p> <p>6 thing ended up getting resolved because he did come</p> <p>7 back to the UFC.</p> <p>8 Rampage Jackson was another one where they</p> <p>9 made offers that we couldn't physically accept.</p> <p>10 They, for example, gave him a reality show and agreed</p> <p>11 to pay him much money for a realty show that they</p> <p>12 were going to put Spike that we just couldn't -- we</p> <p>13 couldn't match that.</p> <p>14 I'm not -- it's not -- I can't remember a</p> <p>15 situation where Bellator made an offer and we matched</p> <p>16 it. I think there was, but I just can't remember one</p> <p>17 right now.</p> <p>18 Q. Is it fair to say that the fact that</p> <p>19 Bellator was, from time to time, making offers to</p> <p>20 fighters that the UFC wanted to sign that that put</p> <p>21 competitive pressure on UFC with respect to those</p> <p>22 fighters?</p> <p>23 A. Of course.</p> <p>24 Q. And was one of the ways you competed with</p> <p>25 Bellator for fighters with respect to compensation to</p>	<p style="text-align: right;">185</p> <p>1 A. I do.</p> <p>2 Q. Do you know what he meant?</p> <p>3 A. Tell them not to sign anything.</p> <p>4 Q. Who is the "them"?</p> <p>5 A. Gilbert Melendez.</p> <p>6 Q. When Mr. Fertitta was writing you to tell</p> <p>7 Melendez not to sign anything, what did you</p> <p>8 understand Mr. Fertitta to be trying to accomplish?</p> <p>9 A. I think that he wanted to reach out to</p> <p>10 Gilbert again and see if he could figure out a way to</p> <p>11 sign the guy. We obviously weren't going to match</p> <p>12 it, so was there more money we could throw at him or</p> <p>13 something to get him to stay with the UFC.</p> <p>14 Q. And did you tell Nahra or Melendez not to</p> <p>15 sign, do you recall?</p> <p>16 A. I don't recall that, no.</p> <p>17 Q. And do you know if Mr. Fertitta actually</p> <p>18 was able to talk to Nahra or Melendez and follow up</p> <p>19 and come to some other kind of agreement at this</p> <p>20 time?</p> <p>21 A. I don't remember at this time. I know that</p> <p>22 Melendez did ultimately come to the UFC, so I just</p> <p>23 don't remember the circumstances.</p> <p>24 Q. Okay, fair enough. Thank you.</p> <p>25 I have a few of these to work through. I'm</p>

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<p style="text-align: right;">190</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 Q. Why did you say no?</p>	<p style="text-align: right;">192</p> <p>1 around. As I mentioned, Cheick's a really -- I</p> <p>2 personally had a great relationship with the guy.</p> <p>3 He's a great -- he's a really handsome guy, he's very</p> <p>4 articulate. He's from France, which is a market that</p> <p>5 we've been working on for many, many years to allow</p> <p>6 events to take place. And there's nothing like</p> <p>7 having a French fighter in your corner when you're</p> <p>8 trying to get that done.</p> <p>9 So there were reasons in my world that were</p> <p>10 important to have Cheick there, but ultimately, it</p> <p>11 wasn't my decision. So I just said, hey, listen,</p> <p>12 we're not going to release him from this at this</p> <p>13 time, and I'm sure we talked to Lorenzo and those</p> <p>14 guys about it. And I don't know what happened.</p> <p>15 Maybe we did release him from the right to match or</p> <p>16 we just didn't match. I don't recall what happened.</p> <p>17 This was my -- my position, not to release</p> <p>18 him. If Lorenzo or Dana decided they wanted to,</p> <p>19 that's what we would have done.</p> <p>20 Q. Well, you understood from the email</p> <p>21 exchange communications with -- Mr. McCann?</p> <p>22 A. McGann.</p> <p>23 Q. -- McGann, that Kongo wanted to be</p> <p>24 released, right?</p> <p>25 A. Yeah.</p>
<p style="text-align: right;">191</p> <p>1 A. Because I didn't want to release him from</p> <p>2 the right to match because I -- I personally like</p> <p>3 Cheick Kongo, he's a great guy, and I wanted to see</p> <p>4 him fight for the UFC.</p> <p>5 He was also from France, and he was a great</p> <p>6 representative for the sport, somebody that we could</p> <p>7 use to help us with regulatory issues in France, he</p> <p>8 helped us before. And so, I was hopeful that, you</p> <p>9 know, maybe there's an offer that we could match to</p> <p>10 keep him in the UFC.</p> <p>11 Q. When did he -- when was the next time he</p> <p>12 fought for the UFC?</p> <p>13 A. I'm not sure he fought ever again for the</p> <p>14 UFC.</p> <p>15 Q. All right. So at the time of this email,</p> <p>16 is it your testimony that you did or did not want to</p> <p>17 arrange a fight for Kongo?</p> <p>18 A. It's not really my position to arrange a</p> <p>19 fight for anybody.</p> <p>20 It was my personal belief that we shouldn't</p> <p>21 release him because I'd like to have the opportunity</p> <p>22 to match an offer.</p> <p>23 Now, ultimately, that decision was made by</p> <p>24 Lorenzo or Dana, but would I advocate for certain</p> <p>25 athletes that I thought were people we should keep</p>	<p style="text-align: right;">193</p> <p>1 Q. All right. And --</p> <p>2 A. Well, he wanted to be released from the</p> <p>3 right to match.</p> <p>4 Q. Well, he writes at the beginning of the</p> <p>5 chain:</p> <p>6 "Does that mean he's free from</p> <p>7 any -- free of any obligations?"</p> <p>8 Do you see that? It's right at the bottom</p> <p>9 of the first page.</p> <p>10 A. I don't -- I don't know what Mr. McGann was</p> <p>11 referring to. I mean, it sounds like Mersch</p> <p>12 responded, "No one has released him from anything,"</p> <p>13 so we didn't know exactly what he was talking about.</p> <p>14 Q. Okay, but there's nothing in this that</p> <p>15 specifically ties his request to being free from the</p> <p>16 right to match.</p> <p>17 This more generally says he's requesting to</p> <p>18 be free of any obligations, right?</p> <p>19 A. No. I mean -- I mean, you have to know</p> <p>20 Anthony McGann. I mean, he's -- as I said, I have a</p> <p>21 great relationship with Anthony, and he's a very</p> <p>22 colorful guy. He speaks with an extremely heavy</p> <p>23 Manchester, I believe, accent. He didn't go to</p> <p>24 Oxford or Cambridge, put it that way.</p> <p>25 I don't know what he's saying here. It</p>

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<p style="text-align: right;">194</p> <p>1 looks like to me what he's saying is, hey, you know, 2 contract is expired. He has the exclusive 3 negotiations. He said non-negotiation period. That 4 means exclusive negotiation. And are you going to 5 let him out of the right to match. 6 And that's validated by what Mersch says 7 is, what are your thoughts on Kongo? McGann's asking 8 that they be outright released from the right to 9 match. 10 Q. Now, when you told him no, right, did you 11 think that was good for the fighter? 12 A. When I told Mike Mersch no? 13 Q. Yeah. 14 A. Certainly, as I mentioned previously, the 15 right to match is a tool that can be used very 16 effectively by fighters to make sure that the highest 17 offer is being made to them. So the answer is 18 absolutely, it was good for the fighter. 19 Q. I thought you told me a minute ago that one 20 of the reasons you said no was because Mr. Kongo was 21 French, and you thought it would be good for the UFC 22 to have a French fighter, correct? 23 A. That was certainly one of the reasons why I 24 personally -- once again, it was me personally, that 25 I like Cheick, I thought he was a nice guy, I thought</p>	<p style="text-align: right;">196</p> <p>1 off under the right-to-match provision? 2 A. I don't necessarily recall discussing it 3 with McGann. I may have, but I've discussed it with 4 many managers over the years. 5 Q. Now, McGann writes to Mersch: 6 "He's 38 and time is precious to 7 him." 8 Do you see that? And it looks like a 9 smiley face. Do you see that? It's about in the 10 middle of the -- 11 A. I do see that. 12 Q. So at the time, did you understand that at 13 least from McGann's perspective that at this point, 14 this was late in Kongo's career? 15 A. As I said previously, the guy has fought a 16 half a dozen times since this happened. I don't 17 think this was late in his career. We have many 18 athletes that fight well into their 40s. Cheick is 19 in incredible shape. He's an amazing athlete. 20 Q. So when his agent wrote, "He's 38 and time 21 is precious to him," you didn't believe him? 22 A. Well, I mean, time is precious to me at 15, 23 and I'm 50 now. It's very precious to me every day. 24 I mean, of course our time is precious. 25 But the facts are he's fought six times</p>
<p style="text-align: right;">195</p> <p>1 he was a great representative of the sport. He was 2 French. Once again, as I mentioned in the morning, 3 we spent 15, 16 years trying to get this sport 4 regulated around the world. France was one of the 5 few places now at this time where we weren't allowed 6 to do events. And so, me personally, because I 7 handled the regulatory affairs for the company and 8 handled all that type of stuff, wanted to have an 9 asset. But at the end of the day, it was up to Dana 10 and Lorenzo whether they wanted to keep him or not. 11 Q. Okay. But from at least your perspective, 12 the reason you wanted to say no is because you 13 thought it would be in the interests of the UFC to 14 not release him? 15 A. It's in both parties' interest. Yes, there 16 were benefits that the UFC would receive, but the 17 benefit he would receive was that he now had 18 essentially a stalking horse on the other side of the 19 transaction which would require any other promoter to 20 make the highest possible offer they could make to 21 hopefully ensure the UFC didn't match it. 22 So yes, we got some benefits out of it, but 23 so did he. 24 Q. Did you discuss that with McGann that 25 actually, he -- that his client was actually better</p>	<p style="text-align: right;">197</p> <p>1 since this contract was over. 2 He was not at the end of his career. I 3 think he's still fighting. 4 Q. But you're not a professional athlete, 5 right? 6 A. Not even close. 7 Q. And so you're far from the end of your 8 career, correct? 9 A. I don't know. Never know. 10 Q. But at 38 is quite -- is relatively late 11 for a UFC fighter. You would agree with me? 12 A. I wouldn't agree with you. If you take a 13 look at the sport, take a look at the history of a 14 lot of our athletes, take a look at Cheick Kongo's 15 career since he left, I believe he's still fighting, 16 it's not the end of his career. It takes a long time 17 to master these martial arts in order to be 18 proficient at, you know, one, two, three, four 19 martial arts. 20 There are many athletes that fight well 21 into their 40s. It just depends on the individual 22 athlete and, you know, how they're taking care of 23 themselves, how that are training. 24 Listen, I would agree with you, of course, 25 that everybody has a time horizon on which they get</p>

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<p style="text-align: right;">198</p> <p>1 to pursue their trades, and athletes may have a 2 shorter one, but this was -- this was not the end of 3 his career, as evidenced by the fact he's fought, I 4 think, a half a dozen times since this discussion. 5 Q. And again, to the best of your 6 recollection, at this time, did the UFC have any 7 plans to arrange fights for Kongo? 8 A. His contract was expired. So I can't 9 imagine we had any plans. We were playing out the 10 situation. 11 And once again, I don't know whether we 12 waived this or not. We may have decided, you know 13 what, we don't want him. 14 This was my email, my view point on this 15 thing, which was I didn't want to. There were a 16 variety of reasons why I felt, you know, Cheick Kongo 17 would be great for the UFC. 18 (Exhibit 15 was marked for 19 identification by the reporter.) 20 BY MR. SAVERI: 21 Q. There is the original. There's more. 22 Do you have Exhibit 15 in front of you, 23 sir? 24 A. I do. 25 Q. It's a two-page email with the Bates</p>	<p style="text-align: right;">200</p> <p>1 [REDACTED] 2 [REDACTED] 3 [REDACTED] 4 [REDACTED] 5 [REDACTED] 6 [REDACTED] 7 [REDACTED] 8 Q. And just for purposes of the record, what 9 was the Ultimate Fighter? 10 A. It still exists. The Ultimate Fighter is a 11 reality show that was created, I believe, in late 12 2004 that was -- first of all, it was a very 13 important promotional vehicle for the UFC brand. Up 14 until that point, the UFC was doing very, very 15 poorly. The Fertittas had sunken in 30, 40, 50 16 whatever the number of million dollars of their own 17 money funding this thing. 18 They decided that -- they had done a 19 reality show on a casino before, Green Valley Ranch 20 here in Las Vegas. They knew a producer by the name 21 of Craig Piligian. They thought maybe it was a good 22 idea to try to figure out a way to use a reality show 23 to get MMA content on mainstream television because 24 at this point, it was only pay-per-view events. 25 So partnered up with a guy by the name of</p>
<p style="text-align: right;">199</p> <p>1 Nos. ZFL-0998102 through 103. 2 Will you take a moment to look at it, sir. 3 A. I see it. 4 Q. If you look at the top of the first page, 5 there's an email from Sean Shelby to Joe Silva, 6 yourself, Lorenzo Fertitta, and Dana White. 7 Do you see that? 8 A. I see it. 9 Q. To the best of your recollection, did you 10 receive this email on or about November 27, 2013 from 11 Sean Shelby? 12 A. I actually do recall this, yes. 13 Q. Did you review this yesterday? 14 A. No. 15 Q. The email chain begins with an email from 16 Silva to Lorenzo Fertitta, yourself, Sean Shelby, and 17 Dana White. 18 Do you see that? 19 A. I do. 20 Q. And the email chain refers to the Ultimate 21 Fighter. 22 Do you see that? 23 A. I do. 24 [REDACTED] 25 [REDACTED]</p>	<p style="text-align: right;">201</p> <p>1 Craig Piligian. There were some other people 2 involved at first but ultimately it was Craig 3 Piligian and Pilgrim Films, and they produced a 4 reality showed called the Ultimate Fighter. Pretty 5 simple concept. 16 athletes live in a house. They 6 do all sorts of funny and interesting things, and at 7 the end of each episode, there's a fight, winner 8 stays, loser goes home. 9 It all culminates with a live event which 10 pits the two finalists against each other in addition 11 to some of the other contestants. 12 The theory was that we couldn't get MMA on 13 mainstream television, no one could take it, so maybe 14 this would be our Trojan Horse to sort of get it on 15 TV. 16 Ultimately, we were able to convince 17 Spike TV to broadcast the product. Unfortunately, 18 they were unwilling to pay for it, and they were 19 unwilling to pay any of the expenses associated with 20 underwriting it. They also took out the ad 21 inventory. So the Fertittas spent \$10 million 22 underwriting the show and put it on Spike TV in, I 23 think, late 2004, early 2005, and that was sort of a 24 big turning point for the UFC. 25 Over the years, I think we've done 20-plus</p>

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<p style="text-align: right;">202</p> <p>1 different versions of it.</p> <p>2 But the Ultimate Fighter was always sort of</p> <p>3 a separate thing from the overall UFC. And so,</p> <p>4 different contracts were entered into the athletes</p> <p>5 for their participation in the show initially.</p> <p>6 And then, if you won the show, you</p> <p>7 entered -- you got a UFC contract.</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">204</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>
<p style="text-align: right;">203</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">205</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 (Exhibit 16 was marked for</p> <p>11 identification by the reporter.)</p> <p>12 BY MR. SAVERI:</p> <p>13 Q. Sir, I've handed you what has been marked</p> <p>14 as Exhibit 16.</p> <p>15 Do you have that in front of you?</p> <p>16 A. I do.</p> <p>17 Q. Will you take a moment to review it,</p> <p>18 please.</p> <p>19 A. I've read it.</p> <p>20 Q. Do you recall this email, sir?</p> <p>21 A. No.</p> <p>22 Q. Now, the top of the email chain is an email</p> <p>23 from Mr. Mersch to yourself with a copy to Kirk</p> <p>24 Hendrick.</p> <p>25 Do you see that?</p>

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<p style="text-align: right;">246</p> <p>1 A. Because the guys who actually got in on the 2 fighters, they made like caricature action figures. 3 So it was a different category. 4 Q. I'm sorry. Let me turn -- let me turn off 5 the phone. 6 [REDACTED] 7 [REDACTED] 8 [REDACTED] 9 [REDACTED] 10 [REDACTED] 11 [REDACTED] 12 [REDACTED] 13 [REDACTED] 14 [REDACTED] 15 [REDACTED] 16 [REDACTED] 17 [REDACTED] 18 [REDACTED] 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 [REDACTED] 23 Q. So were there other merchandisers, if 24 that's the word, who were approaching fighters, UFC 25 fighters, and making their own deals with those</p>	<p style="text-align: right;">248</p> <p>1 Q. And so, that would be an income stream for 2 the fighters who were able to negotiate those 3 contracts? 4 A. Right, but we were also delivering an 5 income stream to the athletes via the JAKKS deal. 6 So it wasn't one -- it was one, 7 essentially, or the other. It wasn't that they lost 8 out if they didn't get the opportunity to do Round 5 9 or whatever it was, they would do the JAKKS deal. 10 The point is that Round 5 was going in and signing 11 exclusive deals with the athletes so they couldn't 12 get into the JAKKS program which was the master 13 licensee for UFC-branded stuff. 14 So it really -- it's not like they would 15 lose out. My point is, is that we wanted them to be 16 with our licensee, they could make money with our 17 licensee as opposed to signing an exclusive deal with 18 a competitor. 19 Q. Under these agreements, at least the 20 fighters had the choice or the ability to make their 21 own contracts and make their own deals with these 22 merchandisers and get whatever income stream that 23 they were able to negotiate, right? 24 MS. GRIGSBY: Objection to form, compound. 25 THE WITNESS: For the toys, they've always</p>
<p style="text-align: right;">247</p> <p>1 fighters? 2 A. I remember Round 6 or Round 8 or whatever 3 it was in the caricature space, yes. 4 Q. And under those deals, presumably -- I 5 apologize. 6 (Cellphone ringing.) 7 BY MR. SAVERI: 8 Q. Under those deals, the fighters would be 9 able to generate income from those contracts, 10 correct? 11 A. Under what deals? 12 Q. Well, in this email, you talk about 13 situations where competitors get in with our 14 fighters. 15 A. Right. 16 Q. And if I understand your testimony 17 correctly, that referred to situations where the 18 merchandisers, these companies, would enter into 19 contracts directly with UFC fighters, correct? 20 A. Correct. 21 Q. And presumably, one of the terms of that 22 contract was -- or those contracts would be that the 23 merchandisers would be paying the fighters directly, 24 correct? 25 A. Correct.</p>	<p style="text-align: right;">249</p> <p>1 had that. They still do. 2 BY MR. SAVERI: 3 [REDACTED] 4 [REDACTED] 5 A. They were signing our athletes to exclusive 6 deals before we had the opportunity to get them to 7 sign a deal to make their doll in the JAKKS program. 8 And so, they were getting there first, 9 signing the athletes to exclusive deals, and then, 10 getting those products to retail before we could get 11 a JAKKS product to retail. 12 So I mean, the game plan was we got to put 13 together a strategy to get JAKKS to sign these 14 athletes before they went somewhere else and signed 15 exclusive deals. And many athletes did. 16 Q. So in the situation you're talking about 17 with JAKKS, was the problem that, for example, some 18 other manufacturer would have created one of these 19 action figures in the likeness of one of the fighters 20 before JAKKS was able to, and so, customers would go 21 to the store, and there would already be an action 22 figure in the likeness of one of the fighters? 23 A. Yes. Like I said, it was a slightly 24 different product, but like I said, with Round -- I 25 can't remember, I think it was Round 5. Round 5 was</p>

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<p style="text-align: right;">250</p> <p>1 doing exclusive deals with many of the top athletes, 2 and so, they couldn't even be in the JAKKS program. 3 Ultimately, we figured out a deal with 4 Round 5 to make the athletes available to both the 5 JAKKS program and the Round 5 program. So it 6 actually -- the athletes ended up getting royalties 7 from both products. 8 But at this period of time, we're having 9 some trouble with the JAKKS deal because Round 5 was 10 being aggressive in signing athletes to exclusive 11 deals. 12 Q. Now, you proposed three alternatives. Do 13 you see that? 14 A. I do. 15 [REDACTED] 16 [REDACTED] 17 [REDACTED] 18 [REDACTED] 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 [REDACTED] 23 [REDACTED] 24 [REDACTED] 25 [REDACTED]</p>	<p style="text-align: right;">252</p> <p>1 [REDACTED] 2 As I'm sure you've seen during, you know, 3 maybe you watch videos of bullfights, just a 4 tremendous amount of clutter, different brands, many 5 brands that were inappropriate like Condom Depot and 6 Dynamic Fastener and all these brands that just did 7 not fit with a top tier sports organization. 8 So the concept was let's require brands 9 that are substantial enough to pay an exposure fee, 10 and if they do that, then they have the ability to 11 also sponsor athletes. 12 Q. And so, the tax you're referring to here is 13 this exposure fee you're referring to -- 14 A. Yes. 15 Q. -- is that right? 16 A. That's correct. 17 Q. And that's a payment by a sponsor or 18 merchandiser to Zuffa? 19 A. Correct, to give them the opportunity if 20 they want -- to also sponsor fighters too, yes. But 21 we needed to clean up the clutter. It was not 22 becoming at all. 23 In fact, when we did the Reebok deal, one 24 of the first calls we got was from ESPN saying: This 25 is the best decision you ever made. You're going to</p>
<p style="text-align: right;">251</p> <p>1 [REDACTED] 2 Q. And the concern was there that if you did 3 that, the fighters who had arrangements with some 4 merchandisers would be foreclosed from them, and that 5 might make -- would make them upset, and that would 6 damage their relationship with you? 7 MS. GRIGSBY: Objection, compound. 8 THE WITNESS: Yeah. As opposed to the 9 Reebok deal where we provided money to the athletes 10 for wearing the apparel, if we just banned 11 everything, it would just sort of be -- there 12 wouldn't be any money for apparel. 13 [REDACTED] 14 [REDACTED] 15 [REDACTED] 16 [REDACTED] 17 [REDACTED] 18 [REDACTED] 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 [REDACTED] 23 [REDACTED] 24 [REDACTED] 25 [REDACTED]</p>	<p style="text-align: right;">253</p> <p>1 get more coverage on ESPN because we can now know 2 whether UFC product is actually in the video. 3 And number two, we're not in the business 4 of exposing brands for free. So we're not going to 5 advertise these brands that are all these fighters. 6 So you're going to get a lot more media coverage from 7 ESPN, which is incredibly important to the success of 8 the UFC brand, to the success of all our athletes' 9 brands, and to successful pay-per-view events, which 10 our athletes are partners in. 11 THE REPORTER: Which our what? 12 THE WITNESS: Partners in. 13 MR. SAVERI: Did you get everything? 14 THE REPORTER: No. 15 MR. SAVERI: I was going to move to strike 16 the rest of the answer. 17 THE REPORTER: I'll fill it in later. 18 BY MR. SAVERI: 19 Q. And when you're referring to the tax or 20 these payments, this was a payment directly to the -- 21 to Zuffa. 22 Were these -- strike that. 23 Now, you talked about, I think it was 24 Round 5 a minute ago? 25 A. I think that's -- I can't remember whether</p>

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<p style="text-align: right;">270</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">272</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 Q. Okay. So you wanted to make sure that the</p> <p>11 fighters didn't make more money from coming in under</p> <p>12 the -- you wanted to make sure that fighters wouldn't</p> <p>13 do better if they were signed up by Round 5 as</p> <p>14 opposed to the UFC?</p> <p>15 A. We wanted there to be parity. So if one is</p> <p>16 making more, the other is making less.</p> <p>17 Q. I'm sorry?</p> <p>18 A. We wanted there to be parity.</p> <p>19 Q. I understand that. The next point, you</p> <p>20 lost me.</p> <p>21 A. We wanted there to be parity. We didn't</p> <p>22 want one athlete to come in through Round 5 and have</p> <p>23 a higher royalty rate than somebody who came in</p> <p>24 through the UFC. There had to be parity. All</p> <p>25 athletes needed to be treated the same.</p>
<p style="text-align: right;">271</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">273</p> <p>1 Q. Why is that?</p> <p>2 A. Because that's what we thought was fair to</p> <p>3 all the athletes.</p> <p>4 Q. Well, wouldn't it be more fair to the</p> <p>5 athletes who were able to get a higher price to be</p> <p>6 paid more?</p> <p>7 A. The game plan was to get all athletes into</p> <p>8 both programs so they'd be selling both JAKKS dolls</p> <p>9 and the dolls that were being made by Round 5.</p> <p>10 That's the whole point of it. We wanted to</p> <p>11 make sure they were in both programs so they made</p> <p>12 twice as much money in the two different products as</p> <p>13 opposed to just being in one product line.</p> <p>14 Q. Okay, but if one of your athletes could</p> <p>15 make more money under Round 5 as opposed to the</p> <p>16 other, why wouldn't that be better for that athlete?</p> <p>17 A. Well, the point is if they could.</p> <p>18 Q. Yeah.</p> <p>19 A. I guess it would. And there were certain</p> <p>20 athletes that, you know, ended up, I think, only</p> <p>21 being in one product, they weren't in both.</p> <p>22 But at the end of the day, the theory was</p> <p>23 that if the athletes were in both products that were</p> <p>24 hitting different segments of the toy market that</p> <p>25 they would make more money.</p>

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<p style="text-align: right;">274</p> <p>1 It would be better for the long-term</p> <p>2 viability of the programs. Ultimately, both programs</p> <p>3 failed, and that wasn't good for anyone.</p> <p>4 (Exhibit 23 was marked for</p> <p>5 identification by the reporter.)</p> <p>6 BY MR. SAVERI:</p> <p>7 Q. I'm handing you what has been marked as</p> <p>8 Exhibit 23, and just so you know, we've asked for</p> <p>9 some printouts of text messages, and this is a</p> <p>10 compilation of those text messages.</p> <p>11 Let me ask you a question. If you turn to</p> <p>12 page 105.</p> <p>13 A. Okay.</p> <p>14 Q. Do you see entry 2531? I think it's four</p> <p>15 from the top.</p> <p>16 Are you on page 157?</p> <p>17 A. Yes.</p> <p>18 Q. 105, excuse me. 105 of 157.</p> <p>19 A. Yes.</p> <p>20 Q. And is the top entry on the page 2528?</p> <p>21 If you look in the left-hand column, the</p> <p>22 far left-hand column, there are a series of numbers.</p> <p>23 A. Yes. You're talking about 2531?</p> <p>24 Q. Yes. You're with me.</p> <p>25 A. Yes.</p>	<p style="text-align: right;">276</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 Q. Okay, fair enough.</p> <p>6 Going back to Exhibit 21, which is the</p> <p>7 document I was just asking you about, this is the one</p> <p>8 in 2009 that talks about this Round 5 proposal.</p> <p>9 A. Right.</p> <p>10 Q. To the best of your recollection, was the</p> <p>11 deal with Round 5 and JAKKS signed?</p> <p>12 A. I don't know.</p> <p>13 Q. Okay.</p> <p>14 A. JAKKS went through a bankruptcy, and I</p> <p>15 think at one time, we just had to deal separately</p> <p>16 with Round 5. I really don't recall.</p> <p>17 Q. Let me switch gears a little bit.</p> <p>18 MS. GRIGSBY: Are we going to use</p> <p>19 Exhibit 23 again, or should we put it to the side?</p> <p>20 MR. WEILER: We'll be using it again, I</p> <p>21 imagine.</p> <p>22 MS. GRIGSBY: Okay.</p> <p>23 THE WITNESS: Which one?</p> <p>24 MS. GRIGSBY: The big one.</p> <p>25 MR. SAVERI: You can just leave it in the</p>
<p style="text-align: right;">275</p> <p>1 Q. Do you see your name there?</p> <p>2 A. Yep.</p> <p>3 Q. And is that your mobile phone number?</p> <p>4 A. Yes, it is.</p> <p>5 Q. And the column -- the phone number in</p> <p>6 column B, do you recognize that mobile phone number?</p> <p>7 A. No. It could be Lorenzo's. I don't -- I</p> <p>8 never look at his number, so I just...</p> <p>9 Q. Let me represent to you for purposes of</p> <p>10 this, that that's the mobile phone number of Lorenzo</p> <p>11 Fertitta.</p> <p>12 A. Okay.</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">277</p> <p>1 stack. If we need to dig r it, we should be able to</p> <p>2 find it.</p> <p>3 BY MR. SAVERI:</p> <p>4 Q. I have some questions about Strikeforce.</p> <p>5 Was Strikeforce a rival MMA promoter?</p> <p>6 MS. GRIGSBY: Objection to form.</p> <p>7 THE WITNESS: Strikeforce was a competitor.</p> <p>8 Mainly regional shows but a competitor.</p> <p>9 BY MR. SAVERI:</p> <p>10 Q. And from when to when?</p> <p>11 A. I don't recall.</p> <p>12 Q. Up until the time that Zuffa acquired</p> <p>13 Strikeforce, was there a period of time when you</p> <p>14 believed Strikeforce was not a competitor of Zuffa?</p> <p>15 A. Maybe early on, but for the most of their</p> <p>16 existence, I would consider them a competitor.</p> <p>17 Q. And when did Zuffa decide to acquire</p> <p>18 Strikeforce?</p> <p>19 A. I don't remember the date, but it was after</p> <p>20 we were approached by people representing them saying</p> <p>21 they wanted to sell the business.</p> <p>22 Q. And who made the decision to acquire</p> <p>23 Strikeforce?</p> <p>24 A. Lorenzo Fertitta.</p> <p>25 Q. Did he ask you your opinion on whether or</p>

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<p style="text-align: right;">294</p> <p>1 Q. Did he regularly report on ratings of UFC events?</p> <p>2 A. I believe he did.</p> <p>3 Q. And did he regularly report on ratings of competitors' events?</p> <p>4 A. Yes.</p> <p>5 Q. And did you view his reports as important business intelligence?</p> <p>6 A. I would view it as business intelligence.</p> <p>7 I don't know how important it was, but...</p> <p>8 Q. Well, I mean, is it true that you hired him to do this?</p> <p>9 A. This is one of many things that he did.</p> <p>10 Q. Well, this was just part of his job, right?</p> <p>11 A. Right, but he wasn't a ratings analyst. He</p> <p>12 was a financial analyst among many, many other</p> <p>13 things. He would get us some Nielsen ratings and put</p> <p>14 it in an email and send it to us.</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">296</p> <p>1 Do you see that?</p> <p>2 A. I do see that.</p> <p>3 Q. It doesn't refer to the NBA or any of these other sports, does it?</p> <p>4 A. My point is those are -- they</p> <p>5 counterprogram us every single day. Every time we</p> <p>6 put on an event, every time we put on a taped</p> <p>7 program, we're getting counterprogrammed by some</p> <p>8 other sports entertainment program.</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 Q. Now, at least with respect to the counterprogramming against the competition -- well,</p> <p>25</p>
<p style="text-align: right;">295</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 Q. And was that an effort to lower a competitor's rating by diverting viewers away from them to your programming?</p> <p>16 A. Not necessarily. I mean, we're competing</p> <p>17 against the NBA finals right now. We're competing</p> <p>18 against March Madness at times, NFL, Super Bowl. I</p> <p>19 mean, it's just we're putting on content on the same</p> <p>20 day that they are, and we have an ability to see how</p> <p>21 it compares to theirs. Looks like they beat us too.</p> <p>22 Q. But this says, "counterprogram against our competition."</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">297</p> <p>1 at least with respect to the counterprogramming</p> <p>2 against Strikeforce, would you agree that one of the</p> <p>3 purposes of the counterprogramming here was to</p> <p>4 broadcast competitive content to that being shown at</p> <p>5 the same time by Strikeforce?</p> <p>6 MS. GRIGSBY: Objection, compound.</p> <p>7 THE WITNESS: It's what we do every single</p> <p>8 day of our lives, compete for the attention of the</p> <p>9 consumer. So I don't see this as being any different</p> <p>10 than any other day of the week. Obviously, we were</p> <p>11 competing against the NBA, and there's a lot of</p> <p>12 strong arguments that this creates an MMA night where</p> <p>13 people can watch a ton of MMA in one night. And</p> <p>14 actually, when you put content on two different</p> <p>15 channels around the same time, people flip back and</p> <p>16 forth, and that's good for both properties.</p> <p>17 BY MR. SAVERI:</p> <p>18 Q. Now, I just want to make sure I understand.</p> <p>19 You've heard the term "counterprogram"</p> <p>20 before, correct?</p> <p>21 A. I have.</p> <p>22 Q. And do you understand the use of the term</p> <p>23 "counterprogram" to include -- strike that.</p> <p>24 What do you understand the purpose of</p> <p>25 counterprogramming to be as that term was used at the</p>

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<p style="text-align: right;">358</p> <p>1 contain an exclusive period, did you mean contracts 2 such as Exhibit 5? 3 MR. SAVERI: Object to the form. Same 4 objection about the scope of the examination. 5 THE WITNESS: Yes. 6 MS. GRIGSBY: No further questions. 7 MR. SAVERI: Thank you. 8 THE WITNESS: Thank you. 9 THE VIDEOGRAPHER: This concludes Volume 1 10 of the videotaped deposition of Ike Lawrence Epstein 11 on May 26th, 2017. 12 The original media from today's testimony 13 will remain in the custody of David Feldman Worldwide 14 Court Reporting. 15 The time is approximately 6:00 p.m. We are 16 going off the record. 17 (The following occurred off the 18 video record.) 19 MR. NORTH: Can we also stipulate that the 20 transcript be marked confidential and any 21 designations? 22 MR. SAVERI: Whatever. I mean, yes, okay. 23 That's fine. 24 MS. GRIGSBY: That's what we usually do. 25</p>	<p style="text-align: right;">360</p> <p>1 2 STATE OF _____) 3) :ss 4 COUNTY OF _____) 5 6 7 I, IKE LAWRENCE EPSTEIN, the 8 witness herein, having read the foregoing 9 testimony of the pages of this deposition, 10 do hereby certify it to be a true and 11 correct transcript, subject to the 12 corrections, if any, shown on the attached 13 page. 14 15 16 _____ 17 IKE LAWRENCE EPSTEIN 18 19 20 Sworn and subscribed to before 21 me, this _____ day of 22 _____, 2017. 23 24 _____ 25 Notary Public</p>
<p style="text-align: right;">359</p> <p>1 MR. WEILER: Yes, that's fine. 2 (The deposition was concluded at 3 6:00 p.m.) 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">361</p> <p>1 CERTIFICATE OF REPORTER 2 I, Cynthia K. DuRivage, a Certified 3 Shorthand Reporter of the State of Nevada, do hereby 4 certify: 5 That the foregoing proceedings were taken 6 before me at the time and place herein set forth; 7 that any witnesses in the foregoing proceedings, 8 prior to testifying, were duly sworn; that a record 9 of the proceedings was made by me using machine 10 shorthand which was thereafter transcribed under my 11 direction; that the foregoing transcript is a true 12 record of the testimony given. 13 I further certify I am neither financially 14 interested in the action nor a relative or employee 15 of any attorney or party to this action. 16 Reading and signing by the witness was 17 requested. 18 IN WITNESS WHEREOF, I have this date 19 subscribed my name. 20 Dated: June 12th, 2017 21 22 23 _____ 24 CYNTHIA K. DuRIVAGE 25 CCR No. 451</p>

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<p>1 INSTRUCTIONS TO WITNESS</p> <p>2</p> <p>3 Please read your deposition over carefully</p> <p>4 and make any necessary corrections. You should state</p> <p>5 the reason in the appropriate space on the errata</p> <p>6 sheet for any corrections that are made.</p> <p>7 After doing so, please sign the errata sheet</p> <p>8 and date it.</p> <p>9 You are signing same subject to the changes</p> <p>10 you have noted on the errata sheet, which will be</p> <p>11 attached to your deposition.</p> <p>12 It is imperative that you return the original</p> <p>13 errata sheet to the deposing attorney within thirty</p> <p>14 (30) days of receipt of the deposition transcript by</p> <p>15 you. If you fail to do so, the deposition transcript</p> <p>16 may be deemed to be accurate and may be used in court.</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	362	
<p>1 E R R A T A</p> <p>2</p> <p>3</p> <p>4</p> <p>5 I wish to make the following changes,</p> <p>6 for the following reasons:</p> <p>7</p> <p>8 PAGE LINE</p> <p>9 ____ CHANGE: _____</p> <p>10 REASON: _____</p> <p>11 ____ CHANGE: _____</p> <p>12 REASON: _____</p> <p>13 ____ CHANGE: _____</p> <p>14 REASON: _____</p> <p>15 ____ CHANGE: _____</p> <p>16 REASON: _____</p> <p>17 ____ CHANGE: _____</p> <p>18 REASON: _____</p> <p>19 ____ CHANGE: _____</p> <p>20 REASON: _____</p> <p>21</p> <p>22</p> <p>23 _____ WITNESS' SIGNATURE _____ DATE</p> <p>24</p> <p>25</p>	363	

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

CUNG LE; NATHAN QUARRY, JON)	
FITCH, on behalf of)	
themselves and all others)	
similarly situated,)	
)	
Plaintiffs,)	
)	
vs.)	Case No.
)	2:15-cv-01045-RFB-(PAL)
)	
ZUFFA, LLC, d/b/a Ultimate)	
Fighting Championship and)	
UFC,)	
)	
Defendant.)	
_____)	

CONFIDENTIAL

VIDEO RECORDED DEPOSITION OF IKE LAWRENCE EPSTEIN

July 21, 2017

LAS VEGAS, NEVADA

2:22 p.m.

Reported by:
DEBRA D. SMALLEY, CCR #537
Job No. 51247-B

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<p style="text-align: right;">457</p> <p>1 forum about the litigation.</p> <p>2 Since then I've had meetings with rating</p> <p>3 agencies. Once again, I don't know whether it was</p> <p>4 raised at that particular meeting. I know we certainly</p> <p>5 discussed it with our investors for -- you know, they own</p> <p>6 the company so, of course, we discussed it with them.</p> <p>7 But it was definitely -- the question was definitely</p> <p>8 asked of us during the due diligence process of buying</p> <p>9 the company, and that's when we said "Talk with Boies</p> <p>10 Schiller, ask them whatever you want. I don't know</p> <p>11 whether they'll answer any questions, but you can ask</p> <p>12 them and then you make your own decision whether this</p> <p>13 is a good case or bad case."</p> <p>14 Q And in the context of the purchase or the --</p> <p>15 any of the financing associated with the purchase,</p> <p>16 was there any amount of money reserved for purposes of</p> <p>17 paying a judgment or settlement in this litigation?</p> <p>18 A Zero. Nothing.</p> <p>19 Q Okay. And do you know if any of the buyers or</p> <p>20 lenders have reserved any money to pay the amount of the</p> <p>21 judgment or settlement in this case?</p> <p>22 A I don't think the lenders would ever do that,</p> <p>23 no. I don't -- I don't think so.</p> <p>24 Q Now, at the time of the sale, 2016, who owned</p> <p>25 the equity in Zuffa?</p>	<p style="text-align: right;">459</p> <p>1 A Two million dollars.</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>
<p style="text-align: right;">458</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 Q Now, when did the Fertittas acquire the UFC?</p> <p>21 A January 2001.</p> <p>22 Q Okay. And how much did they pay for it?</p> <p>23 MS. GRIGSBY: Objection. Foundation.</p> <p>24 BY MR. SAVERI:</p> <p>25 Q Do you know how much they paid for it?</p>	<p style="text-align: right;">460</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>

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<p style="text-align: right;">461</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 about, do you know how much was paid in -- in nominal</p> <p>16 dollars or on a percentage basis to fighters?</p> <p>17 A No.</p> <p>18 Q Do you know that the fighters, in total,</p> <p>19 received approximately half as much money as the four</p> <p>20 equity owners did during that period just from the</p> <p>21 payment of dividends?</p> <p>22 MS. GRIGSBY: Objection. Foundation.</p> <p>23 THE WITNESS: I don't know that.</p> <p>24 BY MR. SAVERI:</p> <p>25 Q Now, during that period, prior to the sale in</p>	<p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>
<p style="text-align: right;">462</p> <p>1 2016, did Zuffa borrow money for its business?</p> <p>2 A Yes.</p> <p>3 Q And they did so in 2007?</p> <p>4 A We did it a few times. I don't remember the</p> <p>5 exact dates.</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 COURT REPORTER: I need to go off the record.</p> <p>8 MR. SAVERI: Sure.</p> <p>9 THE VIDEOGRAPHER: We are off the record at</p> <p>10 4:41 p.m.</p> <p>11 (Off the record)</p> <p>12 THE VIDEOGRAPHER: Back on the record. The</p> <p>13 time is 4:44 p.m.</p> <p>14 BY MR. SAVERI:</p> <p>15 Q So I've been asking you some questions about</p> <p>16 the dividend payments to the equity owners.</p> <p>17 Since the Fertittas bought Zuffa, is it true</p> <p>18 that the equity owners have been paid approximately</p> <p>19 1.5 billion dollars in dividends?</p> <p>20 MS. GRIGSBY: Objection. Foundation.</p> <p>21 THE WITNESS: I don't know.</p> <p>22 BY MR. SAVERI:</p> <p>23 Q Does Zuffa pay for private jet travel for its</p> <p>24 executives?</p> <p>25 A Now it does not. Other than some stuff for</p>

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